

STATE *of the* DEALER

SEPTEMBER

**New Vehicle Supply
and Demand
Stabilizes; Used
Sector Sees Gains**

New Vehicle Inventory Settling
in Near 3 Million Units



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The State of the Dealer Report strives to answer the question of whether it will be easier or harder to sell cars in the next 30 days based on ZeroSum's real-time view of supply and demand in the marketplace. The bottom line is that it is "about the same" as the inventory and vehicle movement picture stabilizes.

Last month's report pointed to the beginnings of a new vehicle inventory equilibrium, and it appears that we have come in for a landing at just under 3 million units. For the third month in a row, levels have been pegged at the August level of 2.95 million, pointing to a longer-term plateau.

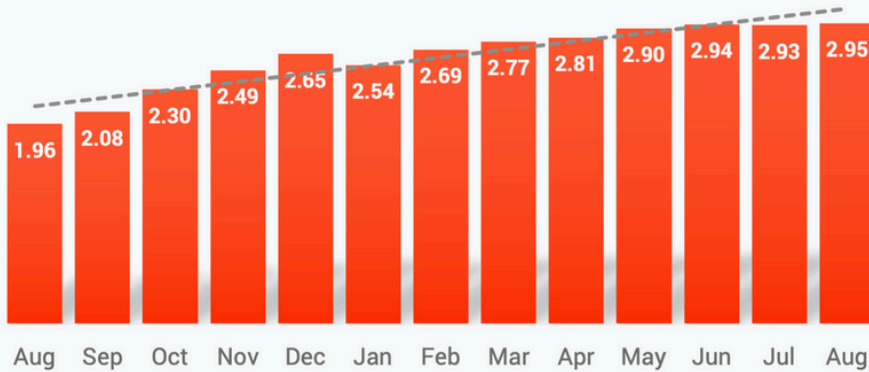
Other metrics are also in a relatively narrow range, with movement up a tick but still at levels similar to recent history and expected to remain so in September. Turn rate and days-to-move trends are also relatively static and range-bound.

One metric worth monitoring is Market Adjustment, which measures the marketed discounts and incentives that are visible to consumers. The steady increase in those pricing actions indicates that dealers need to ensure that they stay competitive in that regard.

Used and certified trends point to an improving health picture, with vehicle movement and turn rates heading higher in the current period. Stable—and lower—pricing on the used car front appears to be helping that sector, and is likely contributing to the Market Adjustment pressure seen on the new car side.

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Average Inventory - New (MM)

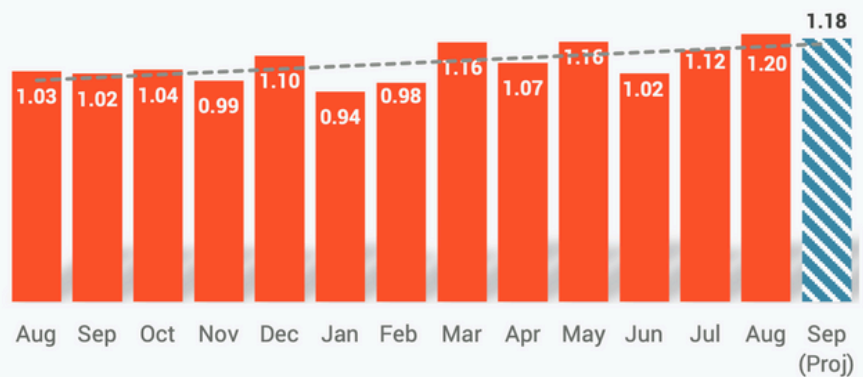


New vehicle inventory has **settled in at just under 3MM**, hitting that mark for the third consecutive month.

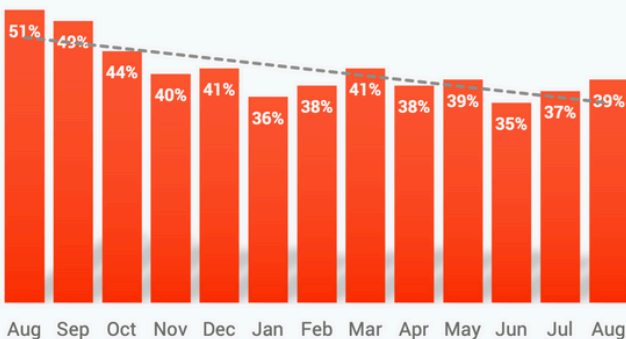
New vehicle inventory **hits its highest point in the past year** but is expected to retreat slightly in the next 30 days.

Turn rate ticks up slightly but is **within the same narrow range** that it has been since the beginning of the year. Days-to-move **falls back slightly from last month's recent high**.

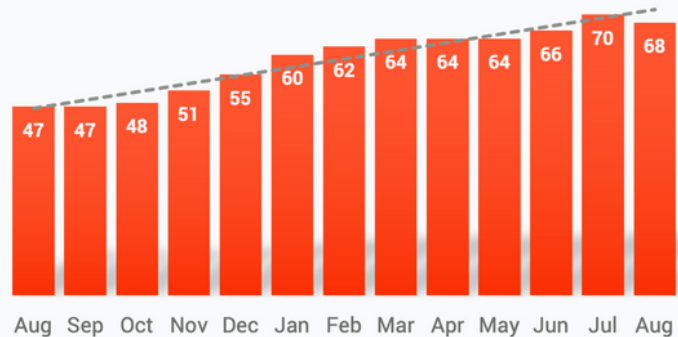
Vehicle Movement - New (MM)



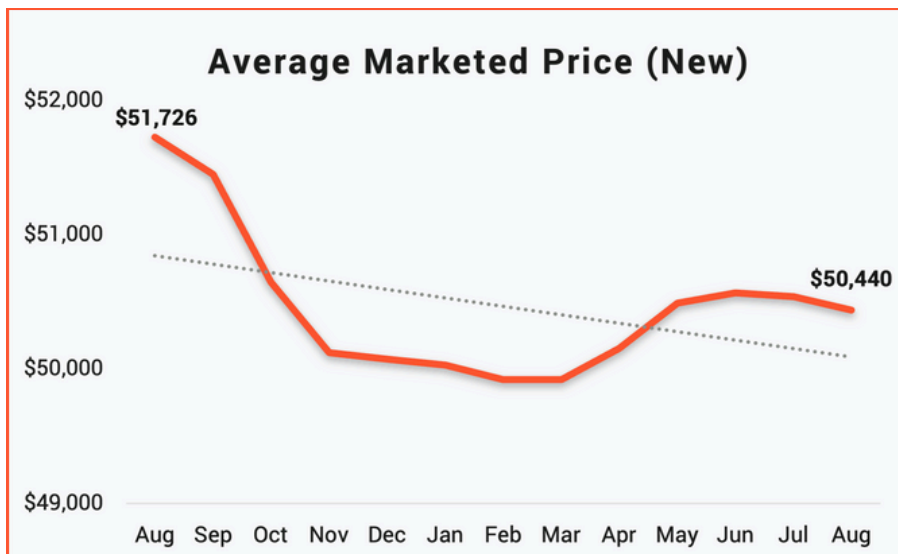
Turn Rate (New)



Days-to-Move (New)

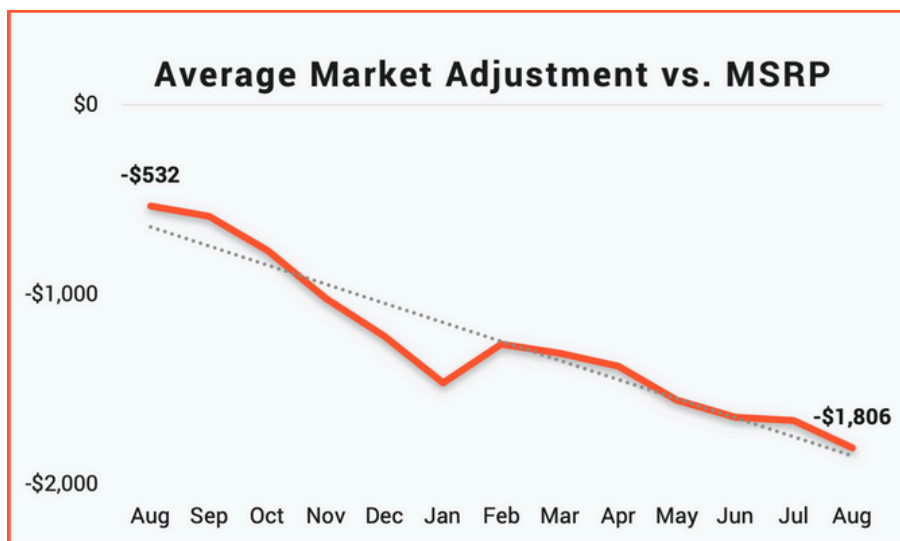


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New vehicle pricing has been **range-bound for the past four months**, and remains more than \$1,000 below year-ago levels.

Discounts and incentives being marketed to consumers continue to increase, **hitting a new yearly high in the current month.**

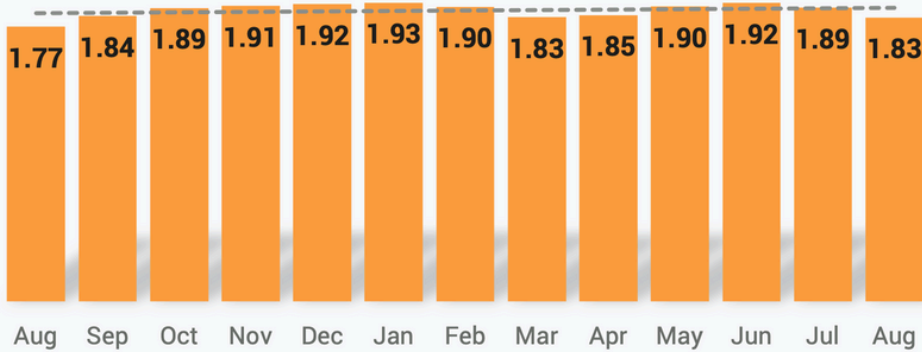


OVERALL ASSESSMENT - NEW

"The supply and demand picture has stabilized, which provides a predictable environment for dealers to operate within," said Jeff Englishmen, Vice President of Dealer Success at ZeroSum. "One metric that bears watching is Market Adjustment, which provides insight into how much pricing pressure there is in the marketplace—currently dealers are having to be increasingly aggressive to support those sales."

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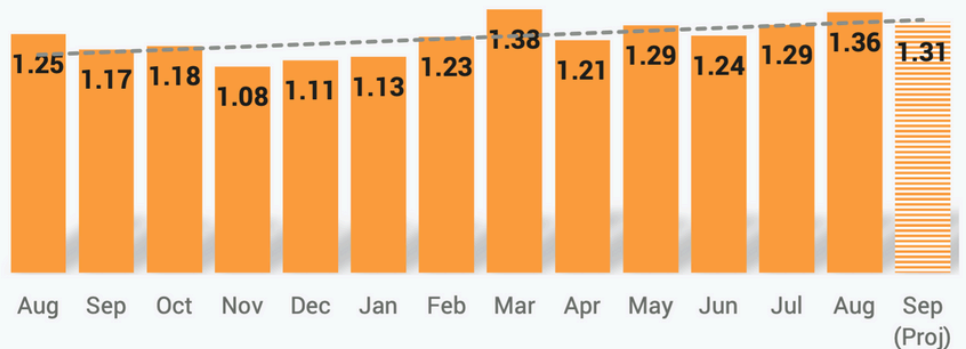
Average Inventory - Used (MM)



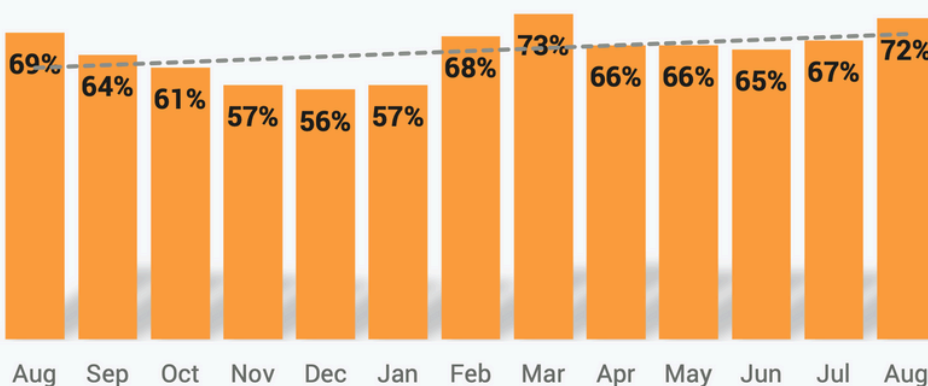
Used vehicle inventory **declines for the second straight month**, though current levels are still generally in a steady state long-term.

Used vehicle movement rises to its **highest level since March**, and up for the second month in a row. Projections for the next 30 days point to a slight pullback.

Vehicle Movement - Used (MM)



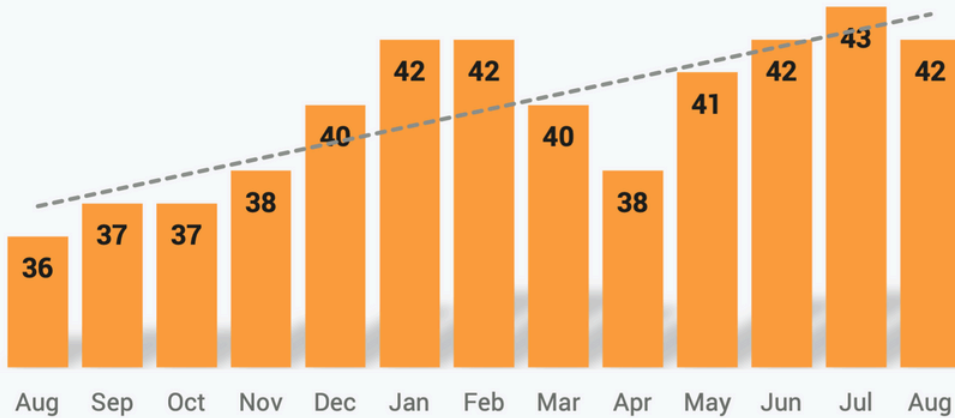
Turn Rate (Used)



Similar to movement trends, turn rate reaches its **highest point since March**.

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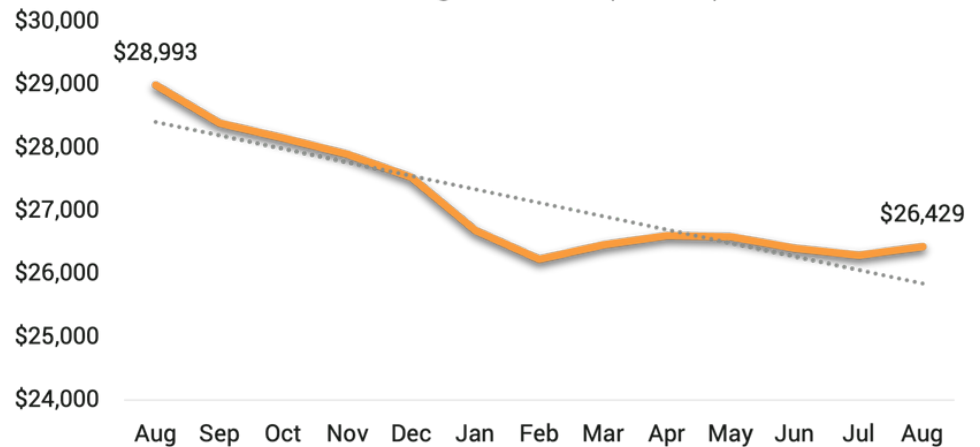
Days-to-Move (Used)



Days-to-move **stays within a narrow range** as it declines by one day in the current month.

Average marketed price has been **steady throughout 2024**, at a level well below year-ago levels.

Average Price (Used)

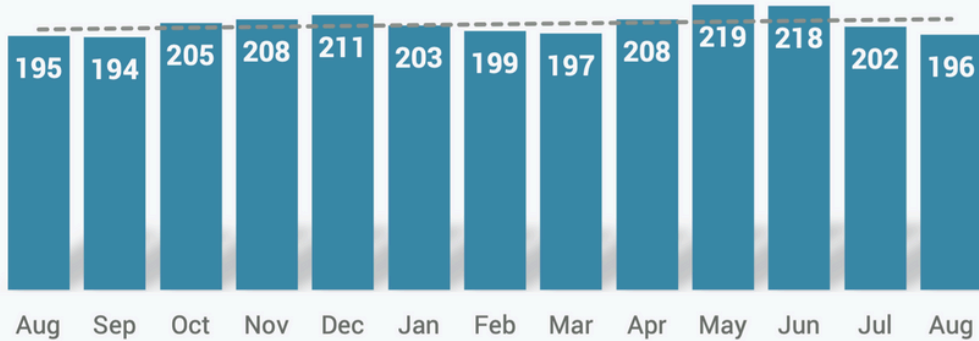


Overall Assessment - Used

"Used cars are heading in a healthy direction, with movement and turn rate numbers pointing to improving demand," said Englishmen. "Consistently lower pricing throughout 2024 appears to be helping, and also likely adding to the Market Adjustment pressure we are seeing in the new car sector."

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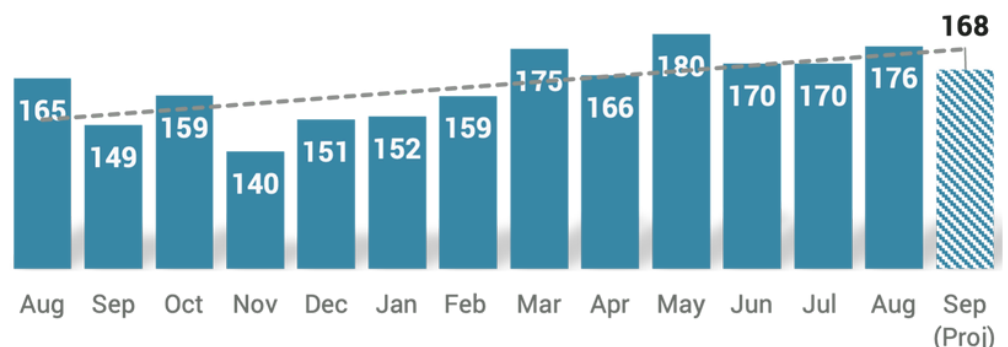
Average Inventory - Certified (000s)



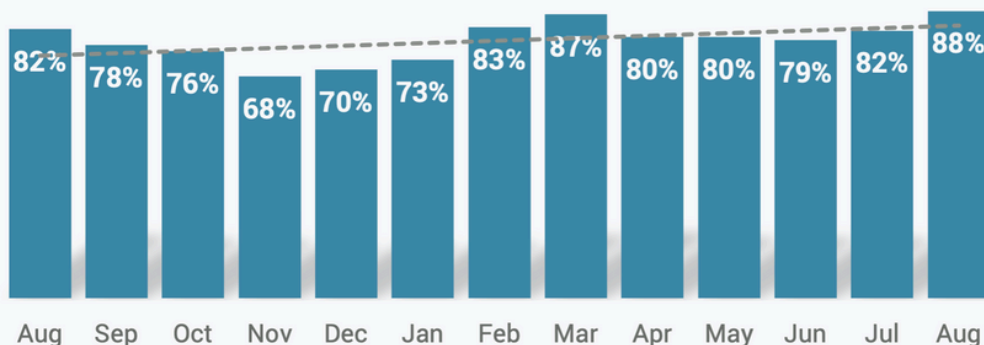
Certified inventories decline for the second straight month, **falling below 200K** for the first time since March.

Certified movement **rises in the current month** (albeit within the range that has been in place since March), but is expected to see some pullback in the next 30 days.

Vehicle Movement - Certified (000s)



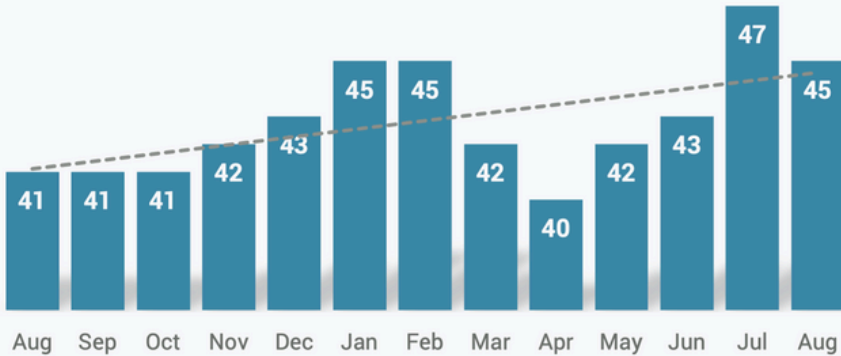
Turn Rate (Certified)



Certified turn rates **reach their highest point** in the past year, rising six points to 88%.

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Days-to-Move (Certified)



Days-to-move **falls back slightly** from the previous month.

Certified pricing rises by **more than \$800** in the current period and up for the second straight month.

Average Price (Certified)



OVERALL ASSESSMENT-CERTIFIED

The certified marketplace is moving in a positive direction, with vehicle movement, turn rates, and days-to-move all improving in the current month. Couple that with increasing prices, and this sector of the market has a healthy trend trajectory. One thing to pay attention to is the balance between inventory levels (which fell below 200K for the first time in five months) and demand. This will have an impact on other metrics such as future pricing shifts.

ABOUT ZEROSUM'S STATE OF THE DEALER REPORT

The ZeroSum State of the Dealer Report is the first and premier data source for the new, used, and certified pre-owned automotive market. ZeroSum serves as a crucial resource for automotive dealers, offering indispensable data on supply and demand trends and delivering unprecedented insights on inventory and 30-day forecasts on vehicle movement. State of the Dealer answers the question that all automotive dealers are wondering: "Is it going to be harder or easier to sell a car next month?"

About ZeroSum

ZeroSum is an industry leader in software, marketing, and data. Powered by its SaaS platform, MarketAI, ZeroSum is simplifying and modernizing automotive marketing by leveraging artificial intelligence, data, and scaling ability to acquire new customers. ZeroSum is the first and only company that matches consumer demand with automotive data in real-time for elite dealer marketing efficiency. For more information, visit www.zerosum.ai.

Want to learn more? Book your demo now.

ONLINE DEMO



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